

post

**Red Oak Management Co., Inc.**  
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**Cedar Springs, MI 49319**  
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**RECEIVED**

SEP 28 2007

MSHDA-Legal

September 24, 2007

Ms. Mary Levine, Acting Director of Legal Affairs  
Michigan State Housing Development Authority  
735 E. Michigan Avenue  
Lansing, MI 48909

RE: Draft Qualified Allocation Plan

Dear Ms. Levine

I am writing to you as an active fee management agent for Rural Development and MSHDA properties. Our principals are also active for-profit developers since 1984. We have developed over 800 units of affordable housing and currently manage 1300 units in the state of Michigan.

Recently, experienced affordable housing developers, those with experience and proven success in partnering with non-profits, have chosen to stay away from Michigan, because "MSHDA is in turmoil" – this is a direct quote. We need Michigan to be a success. MSHDA is looking to alter a program that has in the past successfully preserved existing affordable housing stock, as well as providing new.

This letter is for existing residents in affordable housing. The current MSHDA Draft QAP, by not being committed to preservation of existing affordable housing, is hurting the existing low income residents living in the older 1980's + affordable housing that is ready for rehab. These existing affordable housing residents are worthy of having their homes sustained and preserved – thus extending the use of the existing housing stock. These existing units should be sustained by using tax credits to keep providing quality affordable housing fairly throughout the State of Michigan—not only in the cities and special interest groups chosen by MSHDA. LIHTC is the vehicle that drives affordable housing. The Draft QAP just took away the tires, so the vehicle can sit dormant and not provide the service for which it was designed—provide, sustain and preserve affordable housing.



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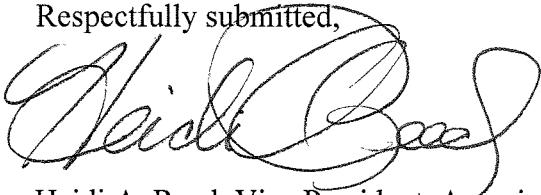


**Red Oak Management Co., Inc.**  
**Working to Provide Affordable Housing**



Many other affordable housing developers and syndicators have already submitted their concerns in the current Draft Qualified Allocation Plan—we agree, the current Draft QAP will cripple the production of affordable housing in Michigan. Please add this letter to the postings on the MSHDA website. We wish to add our voice to the choir of discord with the Draft QAP.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Heidi Reed", written in a cursive style.

Heidi A. Reed, Vice President, Associate Broker  
“Working to Provide Affordable Housing”  
Red Oak Management Co., Inc.

cc:

Honorable Jennifer M. Granholm  
State Representatives  
State Senators  
USDA, State Director, Gene DeRossett  
MSHDA Board Members  
MSHDA Executive Director, Michael R. DeVos